

**NEW HORIZONS CRISIS CENTER, INC.**

**FINANCIAL STATEMENTS  
AND REPORT IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Years Ended June 30, 2005 and 2004

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
New Horizons Crisis Center, Inc.

We have audited the accompanying statements of financial position of New Horizons Crisis Center, Inc., (a nonprofit organization) as of June 30, 2005 and 2004, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of New Horizons Crisis Center, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Horizons Crisis Center, Inc., as of June 30, 2005 and 2004, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2005, on our consideration of New Horizons Crisis Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

*Squire & Company, PC*

December 19, 2005

**NEW HORIZONS CRISIS CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

June 30, 2005 and 2004

	2005	2004
<b>Assets:</b>		
Cash	\$ 35,031	\$ 51,144
Receivable from federal and state governments	35,223	27,570
Other receivables, net of allowance	7	490
Prepaid expenses	7,047	2,552
Net fixed assets	<u>1,033,399</u>	<u>1,058,775</u>
Total assets	<u>\$ 1,110,707</u>	<u>\$ 1,140,531</u>
<b>Liabilities:</b>		
Accounts payable	\$ 748	\$ 1,544
Accrued payroll tax liabilities	6,698	6,735
Other liabilities	20,436	16,608
Notes payable	<u>704,749</u>	<u>709,552</u>
Total liabilities	732,631	734,439
<b>Net Assets:</b>		
Unrestricted	365,065	395,768
Temporarily restricted	<u>13,011</u>	<u>10,324</u>
Total net assets	<u>378,076</u>	<u>406,092</u>
Total liabilities and net assets	<u>\$ 1,110,707</u>	<u>\$ 1,140,531</u>

The accompanying notes are an integral part of these financial statements.

**NEW HORIZONS CRISIS CENTER, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended June 30, 2005 and 2004

	2005	2004
<b>Unrestricted Net Assets:</b>		
Revenue and support:		
Federal contracts and grants	\$ 168,073	\$ 184,163
State contracts and grants	94,111	110,120
Local contributions	32,011	23,759
Rental and related income	9,746	12,680
Other income	1,989	2,108
	<u>305,930</u>	<u>332,830</u>
Net assets released from restrictions	<u>10,324</u>	<u>4,985</u>
Total revenue and support	316,254	337,815
Expenses:		
Program services:		
Shelter	211,095	211,239
Children	26,491	30,834
Rape crisis	19,700	33,576
Strides Toward Earning Progress Toward Success (STEPS)	37,460	34,313
Supporting services:		
Management and general	<u>52,211</u>	<u>44,159</u>
Total expenses	<u>346,957</u>	<u>354,121</u>
Change in unrestricted net assets	(30,703)	(16,306)
<b>Temporarily Restricted Net Assets:</b>		
Contributions	13,011	7,040
Net assets released from restrictions	<u>(10,324)</u>	<u>(4,985)</u>
Change in temporarily restricted net assets	<u>2,687</u>	<u>2,055</u>
<b>Change in Net Assets</b>	(28,016)	(14,251)
<b>Net Assets at Beginning of Year</b>	<u>406,092</u>	<u>420,343</u>
<b>Net Assets at End of Year</b>	<u>\$ 378,076</u>	<u>\$ 406,092</u>

The accompanying notes are an integral part of these financial statements.

**NEW HORIZONS CRISIS CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2005

	Program Services			Supporting Services	
	Shelter	Children	Rape Crisis	Management and General	Total
Compensation and related expenses	\$ 137,244	\$ 25,587	\$ 17,508	\$ 17,667	\$ 212,004
Direct aid	7,298	70	-	1,169	8,537
Advertising	780	-	-	203	983
Insurance	4,865	-	-	12,278	17,143
Telephone	4,013	-	-	1,003	5,016
Occupancy:					
Utilities	14,993	-	-	-	15,984
Rent	52	-	-	4,858	4,910
Maintenance	5,180	-	50	60	6,459
Supplies	6,120	166	1	728	7,020
Postage	745	-	-	131	876
Travel	4,821	-	156	1,225	6,202
Licenses	466	-	-	131	597
Conferences	2,618	213	730	(333)	3,228
Professional fees	-	226	-	4,831	5,057
Interest	441	-	-	-	10,552
Depreciation	20,540	168	1,105	7,904	40,159
Other	919	61	150	356	2,230
<b>Total expenses</b>	<b>\$ 211,095</b>	<b>\$ 26,491</b>	<b>\$ 19,700</b>	<b>\$ 52,211</b>	<b>\$ 346,957</b>

The accompanying notes are an integral part of these financial statements.

**NEW HORIZONS CRISIS CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2004

	Program Services				Supporting Services	
	Shelter	Children	Rape Crisis	STEPS	Management and General	Total
Compensation and related expenses	\$ 135,497	\$ 26,765	\$ 17,758	\$ 13,042	\$ 19,775	\$ 212,837
Direct aid	3,508	2,536	-	-	109	6,153
Advertising	932	-	-	-	-	932
Insurance	13,445	-	1,591	-	3,104	18,140
Telephone	2,762	55	2,195	-	1,253	6,265
Occupancy:						
Property Tax	7	-	200	-	-	207
Utilities	10,238	-	5,421	195	-	15,854
Rent	184	-	-	-	4,453	4,637
Maintenance	7,688	-	1,021	247	130	9,086
Supplies	5,920	826	1,050	-	1,019	8,815
Postage	790	-	234	-	181	1,205
Travel	8,069	-	1,640	-	(78)	9,631
Licenses	514	-	-	-	-	514
Conferences	1,218	-	936	-	-	2,154
Professional fees	120	652	-	-	5,538	6,310
Interest	163	-	-	10,300	616	11,079
Depreciation	19,544	-	1,393	10,442	8,014	39,393
Other	640	-	137	87	45	909
Total expenses	\$ 211,239	\$ 30,834	\$ 33,576	\$ 34,313	\$ 44,159	\$ 354,121

The accompanying notes are an integral part of these financial statements.

**NEW HORIZONS CRISIS CENTER, INC.****STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2005 and 2004

	2005	2004
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (28,016)	\$ (14,251)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	40,159	39,393
Allowance for bad debts	34	(465)
(Increase) decrease in operating assets:		
Receivable from federal and state governments	(7,606)	9,421
Other receivables	402	(25)
Prepaid expenses	(4,494)	553
Increase (decrease) in operating liabilities:		
Accounts payable	(796)	(7,045)
Accrued payroll tax liabilities	(37)	449
Other liabilities	3,828	2,643
Net cash provided by operating activities	3,474	30,673
<b>Cash Flows from Investing Activities:</b>		
Purchase of fixed assets	(14,784)	(11,322)
<b>Cash Flows from Financing Activities:</b>		
Payments on notes payable	(4,803)	(6,998)
<b>Net Change in Cash</b>	(16,113)	12,353
<b>Cash at Beginning of Year</b>	51,144	38,791
<b>Cash at End of Year</b>	<u>\$ 35,031</u>	<u>\$ 51,144</u>

**Supplemental Information:**

The Center paid interest of \$9,256 and \$9,594 for the years ended June 30, 2005 and 2004, respectively. The Center paid no income taxes during the years ended June 30, 2005 and 2004.

The Center had no noncash investing and financing transactions during the years ended June 30, 2005 and 2004.

The accompanying notes are an integral part of these financial statements.



## NEW HORIZONS CRISIS CENTER, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies

The financial statements of New Horizons Crisis Center, Inc., have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization - New Horizons Crisis Center, Inc. (the Center), is a private, nonprofit corporation formed in 1989. The Center is exempt from income taxes under Section 501(a) of the Internal Revenue Code and is classified as a section 501(c)(3) public charity.

The Center provides resources for victims of domestic violence and the homeless in central Utah. The resources include shelter services, emergency counseling and referrals to appropriate agencies; assisting families with problems of domestic violence, which includes spouse abuse, child abuse and sexual abuse; providing community awareness programs to sensitize the community to the problems and solutions of domestic violence; and working with law enforcement agencies and existing social service agencies to improve their knowledge and treatment of the problems of domestic violence.

The Center also provides a children's program to address the needs of young victims of domestic violence and homelessness. In partnership with local schools and social service agencies, the program includes counseling and activities designed to stabilize emotions, build self-esteem and develop positive characteristics in children; parenting classes are provided to teach parents effective child-rearing principles. The program is designed to provide treatment, education, and prevention.

Fixed Assets - Purchased fixed assets are recorded at cost. Donated fixed assets are recorded at the estimated fair value at the date of donation. Depreciation is computed on assets using the straight-line method over the estimated useful lives of the assets.

Certain assets purchased with grantor funds are restricted for use in the Center's current programs. The disposition of such assets requires prior approval of the funding agency.

Gains or losses on assets that are sold, traded, or abandoned are recorded upon disposition. Proceeds received from sales of assets are recorded in the program that originally acquired the assets.

Donated Materials and Services - The Center receives donations of materials and services from volunteers and the general public which it does not recognize in its financial statements. Such donations are generally passed-through to the beneficiaries of the Center's programs.

Advertising Costs - Advertising costs are primarily to promote public awareness of the Center's activities and services. All advertising costs are expensed as incurred.

Allocation of Expenses - The Center records direct expenses to the appropriate program and allocates indirect expenses to each program based on estimated personnel expenses by program.

**NEW HORIZONS CRISIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Economic Dependency - A significant portion of the Center's revenue is from federal and state grants received from various pass-through agencies. Continued future funding from federal and state grants is subject to changes in governmental policy.

Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and support and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2. Receivable from Federal and State Governments**

The Center receives the majority of its funding from federal and state government contracts and grants. The Center spends funds according to the provisions of each grant or contract and submits reimbursement requests to receive the awarded funds. As of June 30, 2005 and 2004, amounts due from governmental agencies are all considered collectible and consist of the following:

	<u>2005</u>	<u>2004</u>
State Department of Community and Economic Development:		
Emergency Shelter Grant	\$ -	\$ 1,300
State Office of Crime Victim Reparations:		
Victim Assistance Grant	21,711	12,625
Violence Against Women Grant	3,642	2,687
State Department of Human Services:		
Shelter Grant	5,021	5,924
Children's Trust Account Funds Grant	432	267
State Department of Health:		
Rape Prevention and Education Grant	4,370	4,509
State Tax Commission:		
Sales Tax Refund	47	258
Total receivable from federal and state governments	<u>\$ 35,223</u>	<u>\$ 27,570</u>

**NEW HORIZONS CRISIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 3. Other Receivables**

Other receivables consist of amounts owed by clients for rent. Amounts owed were \$227 and \$676 at June 30, 2005 and 2004, respectively. An allowance for doubtful accounts of \$220 and \$186 was established at June 30, 2005 and 2004, respectively.

**Note 4. Fixed Assets**

Net fixed assets at June 30, 2005 and 2004, are summarized as follows:

	<u>2005</u>	<u>2004</u>
Land	\$ 88,635	\$ 88,635
Buildings	1,049,527	1,038,984
Equipment	142,131	137,890
Accumulated depreciation	<u>(246,894)</u>	<u>(206,734)</u>
Net fixed assets	<u><u>\$ 1,033,399</u></u>	<u><u>\$ 1,058,775</u></u>

**Note 5. Other Liabilities**

Other liabilities at June 30, 2005 and 2004, consist of the following:

	<u>2005</u>	<u>2004</u>
Accrued interest	\$ 12,542	\$ 11,246
Compensated absences	5,107	4,300
Tenant deposits	2,150	425
Other	<u>637</u>	<u>637</u>
Total other liabilities	<u><u>\$ 20,436</u></u>	<u><u>\$ 16,608</u></u>

**NEW HORIZONS CRISIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Notes Payable**

At June 30, 2005 and 2004, notes payable consisted of the following:

	<u>2005</u>	<u>2004</u>
Olene Walker Housing Trust Fund loan, 0% interest, monthly payments of \$75, used to finance the construction of a transitional housing and office facility	\$ 43,626	\$ 44,526
Note with a bank, 10.75% interest, monthly payments of \$362, used to finance the purchase of a vehicle	1,907	5,810
Olene Walker Housing Trust Fund loan, 0% interest, the balance to be repaid when the property ceases to be used as a shelter, used to finance the purchase of a transitional housing facility	457,000	457,000
Olene Walker Housing Trust Fund loan, 5% interest, monthly interest-only payments of \$735, beginning March 1, 1998, principal and accrued interest payable on March 1, 2017, used to finance the construction of a transitional housing and office facility	202,216	202,216
	<u>\$ 704,749</u>	<u>\$ 709,552</u>

Principal maturities are as follows for the years ending after June 30, 2005:

2006	\$ 2,807
2007	900
2008	900
2009	900
2010	900
Thereafter	698,342
	<u>\$ 704,749</u>

**NEW HORIZONS CRISIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 7. Net Assets**

Contributions, contracts, and grants are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any restrictions. Support that is restricted by the donor or by contract is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Temporarily restricted net assets at June 30, 2005 and 2004, are summarized as follows:

	<u>2005</u>	<u>2004</u>
Shelter	\$ 8,344	\$ 7,263
Children's Program	<u>4,667</u>	<u>3,061</u>
	<u>\$ 13,011</u>	<u>\$ 10,324</u>

**Note 8. Contingent Liability**

The State of Utah, Department of Community and Economic Development (DCED), holds a lien of \$38,000 on the office/apartment building owned by the Center. The Center shall satisfy the lien from the proceeds of any sale of the building.

**NEW HORIZONS CRISIS CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note 9. Expenditure of Federal Awards**

The Center receives various federal awards that are passed through state offices and departments. A summary of expenditures of federal awards for the year ended June 30, 2005, follows:

<u>Department/Pass-through Grantor/Program Title</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services:	
Passed through Utah Department of Human Services:	
Family Violence Prevention and Service Grant	\$ 33,488
Passed through Utah Department of Health:	
Preventive Health and Human Services Block Grant	22,074
U.S. Department of Housing and Urban Development:	
Passed through Utah Department of Community and Economic Development:	
Emergency Shelter Grants Program	5,000
U.S. Department of Justice:	
Passed through Utah Office of Crime Victim Reparations:	
Victim Assistance Grant	86,374
Violence Against Women Assistance Grant	21,137
Total expenditures of federal awards	<u>\$ 168,073</u>

**REPORT IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Year Ended June 30, 2005



Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards*

Board of Directors  
New Horizons Crisis Center, Inc.

We have audited the financial statements of New Horizons Crisis Center, Inc. (a nonprofit organization) as of and for the year ended June 30, 2005, and have issued our report thereon dated December 19, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered New Horizons Crisis Center, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether New Horizons Crisis Center, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified users.

*Squire & Company, PC*

December 19, 2005